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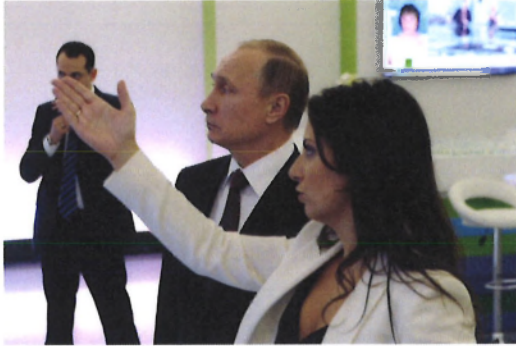
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RT Channel's Unique Carriage Deals Make It Difficult to Drop in U.S.

Kremlin-financed news channel was highlighted as part of Russia's propaganda efforts in recent U.S. intelligence report



Russian President Vladimir Putin and Editor-in-chief of RT, the 24-hour English-language TV news channel, Margarita Simonyan, attend an exhibition marking RT's 10th anniversary in Moscow in December 2015. PHOTO: MIKHAIL KLIMENTYEV/SPUTNIK, KREMLIN POOL PHOTO VIA AP

By *Shalini Ramachandran*

Jan. 25, 2017 11:17 a.m. ET

The Kremlin-financed RT television channel, thrust into the spotlight by a recent U.S. intelligence report, has over the years secured carriage on U.S. cable and satellite services in a way that largely protects it from being dropped.

Earlier this month, federal intelligence authorities released a declassified version of a report on Russia's alleged efforts to influence the election in favor of President Donald Trump. But the report also focused on Russia's broader propaganda efforts, devoting seven of 25 pages to describing the growth of the RT channel (previously known as Russia Today), its alleged ties to the Kremlin and WikiLeaks founder Julian Assange, and its criticisms of the U.S. and the West.

Margarita Simonyan, the editor in chief of RT, dismissed the report, writing in a blog post: "Dear CIA: what you have here is a complete fail."

The report still raised questions about whether U.S. pay-TV operators would consider dropping the network. But questions posed to those companies revealed that federal law prevents many of them from ceasing to carry the channel, even if they want to.

Most TV networks seek to be paid fees in return for their channels. RT has instead opted to pay for its network to be carried by major U.S. operators, including the nation's largest cable company Comcast Corp., satellite-TV operator Dish Network Corp. and Charter Communications Inc., the second-largest cable company, according to company executives and people familiar with its dealings.

The recent U.S. intelligence assessment alluded to this more unusual business practice. It said the Kremlin spends \$190 million annually on distributing RT programming through international hotels and carriage on cable, satellite and broadcast networks.

An RT spokeswoman said the channel can't disclose terms of its contracts and has "several

different distribution arrangements" in the U.S. But she said that the intelligence report's \$190 million figure "bears no semblance to reality," noting that RT's entire budget for global operations in 2016 was "just about \$260 million U.S. dollars." That budget was for staff, distribution, administrative, technological and production costs for all seven of its television channels, she said.

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RT also broadcasts in Europe, Latin America and the Middle East and is available in Russian, Spanish

and Arabic as well as in English.

A Comcast spokesman said RT pays Comcast for leasing access in various markets, and in other markets it's carried through public broadcasters that elect to be deemed "must-carry." Under a federal law governing the way cable companies must negotiate with broadcasters, broadcast stations can assert their must-carry rights -- meaning they cannot be dropped -- instead of seeking cash or other compensation in exchange for carriage.

RT appears on various Charter systems, including in New York and Los Angeles, the two biggest television markets, by leasing access from the operator.

Under the Federal Communications Commission's "leased access" laws, cable companies have to allocate a certain amount of channel bandwidth for independent programmers that aren't owned by the operators. Once a programmer pays the necessary amount, determined by a rate formula prescribed by the FCC, the operators can't legally drop the channel unless it shows obscene or indecent material.

Other operators like Atlanta-based Cox Communications Inc., Verizon Communications Inc.'s Fios and RCN Corp. say they only carry the RT network through public broadcasters such as Philadelphia's MiND TV and Washington, D.C.'s MHz Networks.

While big networks like CBS and Fox tend to seek payment, smaller stations like MHz and MiND TV tend to opt for "must-carry" so they can ensure wider distribution, which also helps them sell advertising.

In essence, the government's own laws have allowed RT to gain carriage and keep it in the U.S., cable executives say.

"I think we would obviously, given what happened, want to drop them, but the federal law doesn't allow us to drop them," said an RCN executive.

With Dish, RT pays for carriage nationwide in various channel packages and appears in a news-focused add-on tier for Dish's cord-cutter streaming service, Sling TV. A Dish spokesman declined to comment on whether the satellite operator would drop RT as a result of the report.

RT isn't the only foreign state-backed news channel to pay for carriage. Al Jazeera America, which the government of Qatar shuttered last year, sometimes paid distributors as well, The Wall Street Journal previously reported.

TV distribution isn't RT's primary way of reaching people. The intelligence report said a large part of RT's influence campaign is through its online broadcasting and social media, where it has built up a big following.

MHz Networks' Chief Executive Frederick Thomas said that since the report, he's only received a few irate phone calls and doesn't plan to drop the channel.

"The reality is we live in an age where every nth degree of opinion is available 24/7 and 98% of people know that you either just turn the channel off if it's TV, or if it's a website, you go to

another one," Mr. Thomas said. "All this stuff is available on your doggone phone."

--*Lukas I. Alpert contributed to this article.*

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